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NO. 90-990

Supreme Court, U.S.

FILED

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IN THE  
SUPREME COURT OF THE UNITED STATES  
OCTOBER TERM, 1990

WEST TEXAS TRANSMISSION, L.P.,

*Petitioner,*

V.

ENRON CORP.,  
NORTHERN TEXAS INTRASTATE PIPELINE COMPANY,  
TECO PIPELINE COMPANY, AND  
THE FEDERAL TRADE COMMISSION,

*Respondents.*

Petition for a Writ of Certiorari to the  
United States Court of Appeals  
for the Fifth Circuit

BRIEF OF RESPONDENTS ENRON CORP.,  
NORTHERN TEXAS INTRASTATE PIPELINE  
COMPANY, AND TECO PIPELINE COMPANY  
IN OPPOSITION TO PETITION FOR  
WRIT OF CERTIORARI

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Pipeline Company

### QUESTION PRESENTED

Whether the rule that a person cannot be deprived of his contract rights in a proceeding to which he is not a party has any application where the person has received everything he is entitled to receive under the terms of his contract.

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**CONSTITUTIONAL PROVISIONS AND  
STATUTES INVOLVED**

There are no provisions of the United States Constitution or of any United States statute that are involved in the disposition of this case by the Fifth Circuit. The Fifth Circuit resolved this case based entirely upon the application of Texas law.

### STATEMENT OF THE CASE

On February 28, 1985, InterNorth, Inc. ("Enron")<sup>1</sup> and Valero Transmission Company ("Valero")<sup>2</sup> became joint owners of the TransTexas Pipeline in a transaction in which Enron, through its wholly-owned subsidiary Northern Texas Intrastate Pipeline Company ("NorTex"), purchased a fifty percent interest in the pipeline from Valero. In connection with that transaction, Enron and Valero executed an Ownership Agreement that contained a right of first refusal in favor of each party. Paragraph 9.1 of the Ownership Agreement provides that in the event either party desires to sell its pipeline interest and "receives or solicits a bona fide offer or agreement from a prospective purchaser . . . that [the selling party] is willing to accept," then the selling party "shall first give written notice of the proposed sale to the other Party. . . . The other Party shall then have a prior right . . . to agree to purchase such interest on the same terms and conditions as set forth in such offer or agreement to purchase." (Petitioner's Appendix ["App."] A at 16a.)

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- 1 InterNorth, Inc., is the former name of respondent Enron Corp. In accordance with Sup. Ct. R. 29.1, a list of Enron affiliates and subsidiaries is set forth in Appendix I.
  - 2 Petitioner West Texas Transmission, L.P., is a Valero affiliate that has succeeded to Valero's TransTexas interest and will be referred to as "Valero."



In late 1985 Enron put its TransTexas interest up for sale in order to comply with a Federal Trade Commission ("FTC") consent order. Enron had agreed to the entry of the consent order to resolve FTC concerns regarding Enron's acquisition of Houston Natural Gas Corporation. After giving interested parties notice of the terms of the proposed consent order and an opportunity to comment on the order, the FTC issued a formal complaint and a decision making the consent order final on September 30, 1985. (App. E at 55a; *In re InterNorth, Inc.*, 106 FTC 312 (1985).) The consent order required Enron to divest, among other things, its interest in the TransTexas Pipeline to a purchaser approved in advance by the FTC.

In late 1987, Enron located Teco Pipeline Company ("Teco")<sup>3</sup> as a buyer. On January 28, 1988, Enron and Teco entered into a Stock Purchase Agreement providing for the sale of Enron's interest in the pipeline to Teco. Recognizing Valero's right of first refusal, Enron and Teco expressly agreed that Teco's purchase would be subject to Valero's failure to purchase the pipeline through the exercise of its right of first refusal. In addition, two separate provisions of

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3 In accordance with Sup. Ct R. 29.1, a list of Teco's affiliates and subsidiaries is set forth in Appendix J.



the agreement make FTC approval a prerequisite to Teco's purchase. Section 1.07 of the agreement provides:

*Seller's Conditions to Closing.* The obligations of Seller to proceed with the closing are subject, at the option of Seller, to the satisfaction of the conditions that . . . (iii) all approvals relating to the Federal Trade Commission Decision and Order re InterNorth, Inc. (Docket C-3168) issued September 30, 1985, insofar as it relates to the [TransTexas Pipeline] shall have been obtained.

(App. A at 7a-8a.) Similarly, section 1.09 states:

*Termination.* This Agreement shall terminate automatically (i) if the FTC disapproves or rejects Seller's divestiture of [NorTex] to Buyer, or (ii) if FTC approval of Buyer has not been received by December 31, 1988.

(*Id.* at 8a.)

Upon the execution of the Teco agreement, Enron took all steps required of it under paragraph 9.1 of the Ownership Agreement. Enron notified Valero of the proposed sale to Teco and provided to Valero a copy of the Teco agreement. When Valero informed Enron that it wished to exercise its right of first refusal, Enron agreed to sell its interest to Valero on the same terms and conditions as the proposed sale to Teco. Thus, on March 29, 1988, Enron and Valero executed a Stock Purchase Agreement identical to the Teco agreement. In fact, the Valero agreement is simply a copy of the Teco agreement on which Valero had made interlineated revisions to replace Teco's name with Valero's. The Valero agreement retains section 1.07 conditioning Valero's purchase on FTC approval under the consent order and sec-

tion 1.09 terminating the agreement upon disapproval by the FTC.<sup>4</sup>

Enron submitted both the Teco and the Valero contracts to the FTC for approval. After consideration of both requests, the FTC approved divestiture to Teco but disapproved divestiture to Valero. The FTC disapproved Valero because it concluded that such a sale would not achieve an adequate lessening of concentration among pipeline companies moving gas out of the Permian Basin and would actually increase an already high level of concentration among pipeline companies able to supply gas to the San Antonio market. (App. F at 72a-74a.)<sup>5</sup>

Valero brought suit to enjoin Enron's sale to Teco and to compel a sale to Valero. Alternatively, Valero sought to recover damages from Enron based upon Enron's alleged breach of contract in refusing to sell the pipeline interest to Valero. After a trial on December 5 and 6, 1988, the district

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4 Valero did strike out the one condition in the Teco agreement that could not be applied to Valero—the condition making the sale subject to Valero's non-exercise of its right of first refusal.

5 At trial Valero challenged the FTC's decision to disapprove Valero as being arbitrary and capricious. The district court rejected that contention, and Valero did not appeal that aspect of the case.

court decided the case in favor of defendants based entirely upon principles of state contract law.

Valero suggests that the district court upheld Enron's assertion that "the consent order, with its requirement of FTC approval, overrode Valero's right of first refusal." This is a mischaracterization of the trial court's decision. Although Enron did assert an impossibility defense to Valero's breach of contract claim, that defense was not before the court at the December 1988 trial. The December 1988 trial was held solely to determine Valero's right to specific performance and injunctive relief that would conflict with the FTC's orders. (App. D at 35a-36a.) Among the issues considered by the court was whether Texas contract law required Valero to match the condition of FTC approval to exercise its right of first refusal and then to satisfy that condition to have any right to purchase the pipeline interest in the first place. (*Id.* at 37a.) With the exception of this issue, the court reserved for a later trial Valero's damage action for breach of contract and Enron's contract defenses, including the impossibility defense. (*Id.* at 36a.) Despite the limited purpose of the December trial, the court recognized that a holding that Valero was required to match and satisfy the condition of FTC approval would resolve the entire case in Enron's favor—both Valero's claim for equitable relief and its damage claim. The court did find for Enron on this issue and thereby resolved

the entire case without any consideration of Enron's impossibility defense. (*Id.*)

The district court concluded that to have exercised its right of first refusal validly under Texas law, "Valero was required to match all material terms and conditions of Teco's good faith offer." (*Id.* at 48a.) The court determined that "[t]he condition of FTC approval was entered into in good faith between Teco and Enron and it was a material condition of the Teco contract," and therefore, "[a]ny contract by which Valero sought to exercise its right of first refusal must have included that material term." (*Id.* at 48a-49a.) The court concluded that Valero did match this condition by executing the Stock Purchase Agreement. (*Id.* at 49a.) Finally, the court held, "This condition has not been satisfied, and as a result, Enron is under no contractual obligation to sell its interest in the pipeline to Valero." (*Id.*)

Although the district court's holding on this one contract issue disposed of the entire case, the court went further and stated additional grounds for denying Valero equitable relief. Relying on *National Licorice Co. v. NLRB*, 309 U.S. 350 (1940), the district court stated that "Valero was not entitled to specific performance that is inconsistent with the FTC's order" because in "an action to enforce public rights under section 7 of the Clayton Act, the FTC was

fully authorized to prohibit Enron from performing its contractual obligations to Valero even though Valero was not a party to the FTC action." (App. at 51a.) Valero quotes part of this conclusion out of context to suggest that it is a holding on Enron's impossibility defense; yet, as noted above, the impossibility defense was not even before the court. Further, the quoted language upon which Valero premises its petition is not necessary to the resolution of this case on the contract issue. As the district court went on to state, "The FTC's action has not impaired [Valero's preemptive right]. Valero was free to match, and did match, Teco's good faith offer. The fact that the Teco offer that Valero was required to match contained the condition of FTC approval is a matter of contract and not FTC action." (*Id.* at 52a.)

The Fifth Circuit affirmed the district court's determination that principles of Texas contract law were dispositive of the entire case. The Fifth Circuit held, "In order for Valero to exercise its preemptive rights, the Ownership Agreement compels Valero to match the 'terms and conditions' offered by a third party." (App. A at 19a.) The only prerequisite is that the condition be "commercially reasonable, imposed in good faith, and not specifically designed to defeat [Valero's] preemptive rights." (*Id.* at 17a.) Because the FTC approval condition satisfied these prerequisites, the Fifth Circuit determined that "Valero's right of first refusal required it to

accept this term in order to exercise its preemptive right.” (*Id.* at 26a-27a.) Finally, the court concluded, “Valero did indeed accept this term when it executed the Teco contract. When Valero failed to meet this condition, Enron was no longer obliged to reconvey the pipeline to Valero.” (*Id.* at 27a.)

The Fifth Circuit also approved the district court’s alternative ground for denying Valero equitable relief that, under *National Licorice*, Valero could not obtain specific performance that would prevent enforcement of the consent order; however, because the Fifth Circuit held that Valero had no right under state law to purchase the pipeline interest to begin with, “Valero’s case never reaches this level.” (*Id.* at 29a.) For the same reason, the Fifth Circuit rejected Valero’s contention that this case raises the same issues addressed by the Court in *Martin v. Wilks*, 490 U.S. 755 (1989). “Valero’s situation does not resemble the *Martin* plaintiffs’ predicament. Unlike the decree in *Martin*, which directly prevented the promotion of white firefighters, the consent decree between the FTC and Enron does not directly bind Valero.” (App. A at 29a.) Under the Fifth Circuit’s application of state law to the facts of this case, “it is the Ownership Agreement and not the consent decree which binds Valero.” (*Id.* at 30a.) Obviously, the Fifth Circuit did not hold, as Valero seems to suggest, that the FTC



could properly interfere with Valero's contract rights in a proceeding to which Valero was not a party.

### REASONS FOR DENYING THE PETITION

Valero asserts that the FTC has somehow deprived Valero of a supposed legal right under the Ownership Agreement to purchase Enron's TransTexas interest and that the key issue in this case is whether the FTC can do that in light of *Martin v. Wilks*, 490 U.S. 755 (1989), and *W.R. Grace & Co. v. Local 759 International Union of United Rubber Workers*, 461 U.S. 757 (1983). Yet, as the Fifth Circuit correctly concluded, this issue need not even be reached, because under controlling principles of Texas contract law Valero received *everything* it was entitled to receive under the Ownership Agreement.

The fundamental problem with Valero's position is that it mischaracterizes the nature of Valero's preemptive right under the Ownership Agreement. Valero treats the preemptive right as if it were a binding contract of sale. This is not the case. Paragraph 9.1 of the Ownership Agreement grants to Valero only the right to purchase Enron's pipeline interest on "the same terms and conditions" as are set forth in a bona fide offer or agreement from a third party that Enron is willing to accept. Thus, to exercise its preemptive right, Valero was required to agree to the same terms and conditions



as are set forth in the Teco Stock Purchase Agreement. See *Holland v. Fleming*, 728 S.W.2d 820, 822 (Tex. App.—Houston [1st Dist.] 1987, writ ref'd n.r.e.); *Sanchez v. Dickinson*, 551 S.W.2d 481, 485 (Tex. Civ. App.—San Antonio 1977, no writ). Only after accepting each of those terms and conditions could Valero form a binding contract entitling it to purchase the interest. See *Lefevere v. Sears*, 629 S.W.2d 768, 770 (Tex. Civ. App.—El Paso 1981, no writ); *Kenver Corp. v. Robinson*, 492 S.W.2d 317, 319 (Tex. Civ. App.—Beaumont 1973, writ ref'd n.r.e.).

Despite the need to match the Teco agreement, Valero suggests that it need not have agreed to the condition of FTC approval. There is nothing in the Ownership Agreement or the law to support this contention. The Ownership Agreement does not dictate terms or conditions Enron must accept or reject in an offer from a potential purchaser. Despite obligations imposed by a right of first refusal, the terms upon which a property owner, such as Enron, will sell its property remain its exclusive prerogative. *Matson v. Emory*, 36 Wash. App. 681, 676 P.2d 1029, 1032 (1984); *Weber Meadow-View Corp. v. Wilde*, 575 P.2d 1053, 1055 (Utah 1978). Accordingly, Enron was free to strike its best deal with a potential purchaser and to require Valero to match that bargain.

As the Fifth Circuit acknowledged, Enron's bargaining freedom was "marginally circumscribed" by the requirement that the conditions imposed be commercially reasonable, imposed in good faith, and not specifically designed to defeat the preemptive right. *Holland*, 728 S.W.2d at 823; *McCulloch v. M & C Beauty Colleges, Inc.*, 194 Cal. App. 3d 1338, 240 Cal. Rptr. 189, 194 (1987); *Brownies Creek Collieries, Inc. v. Asher Coal Mining Co.*, 417 S.W.2d 249, 252 (Ky. Ct. App. 1967). The Fifth Circuit correctly held that Enron's imposition of the FTC approval condition satisfied this requirement. The district court found that the condition of FTC approval was a material condition to which Enron and Teco agreed "in good faith." (App. D at 44a.) The district court also found that Enron obtained agreement on the condition in order to ensure compliance with the consent order and thereby avoid the risk of fines up to \$10,000 a day for the failure to comply. (*Id.*) Valero never objected to these findings. The Fifth Circuit further recognized that Teco "undoubtedly gained concessions from Enron in other contract areas to offset the risk that the FTC might withhold its consent," and that such a condition to which sophisticated businesses agree after extensive arms-length negotiations is commercially reasonable.<sup>6</sup> (App. A at 18a.)

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<sup>6</sup> As the Fifth Circuit also recognized, business ventures routinely subject their contracts to outside approval for financing or creditworthiness in order to guarantee the

Therefore, under Texas law, Valero could only form a binding contract for the purchase of Enron's TransTexas interest by agreeing to the terms and conditions of the Teco agreement, including the condition of FTC approval. In fact, that is exactly what Valero did. By signing an interlineated copy of the Teco agreement, Valero exercised its preemptive right and formed for the first time a binding contract to purchase the pipeline interest. This binding contract expressly conditioned Valero's purchase to FTC approval. Because Valero did not satisfy this condition, Valero had no right to purchase the interest from Enron.

This determination that Valero had no right to purchase the pipeline interest is based solely upon the Fifth Circuit's proper application of Texas contract law to the facts of this case. Significantly, in its petition Valero does not challenge that application of state law. In any event, because the resolution of this case is based entirely upon the Fifth Circuit's interpretation of Texas contract law, this case does not warrant the Court's review. The Court has generally refrained from reviewing "the considered determination of questions

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financial success of the venture, and preemptive right holders have been required to match such approval conditions. See, e.g., *McCulloch*, 240 Cal. Rptr. at 194; *Keys Lobster, Inc. v. Ocean Divers, Inc.*, 468 So. 2d 360, 362 (Fla. App.), review denied, 480 So. 2d 1295 (1985).

of state law by the intermediate federal appellate courts." *Huddleston v. Dwyer*, 322 U.S. 232, 237 (1944). As the Court has recognized, "The federal judges who deal regularly with questions of state law are in a better position than we to determine how local courts would dispose of comparable issues." *Butner v. United States*, 440 U.S. 48, 58 (1979).

Once Valero's rights under state law are understood, it is clear that this is not a case like *Martin* or *W.R. Grace*. In *Martin*, white firefighters employed by the city of Birmingham, Alabama, had a legal right under the Constitution and federal statutes to race-neutral consideration for promotions. The Court held that that right could not be impaired by a consent decree, entered in a civil rights action against the city to which the white firefighters were not parties, requiring the city to hire and promote minorities. In *W.R. Grace*, company employees had a legal right to retain their jobs in the face of company layoffs based on the seniority provisions of their collective bargaining agreement with the company. The Court held that that right could not be impaired by a conciliation agreement, entered in an Equal Employment Opportunity Commission action against the company to which the affected employees were not parties, requiring the company to hire and retain women and other minorities.

Here, Valero had a contractual right under the Ownership Agreement solely to match a third party offer acceptable to Enron. This right was not impaired in any way by the entry of the FTC consent order; the right was fully implemented. Both before and after the entry of that order, Valero had the right to match any third party offer, and in fact, Valero actually exercised that right and matched Teco's offer. Thus, Valero obtained everything it was entitled to under the terms of its right of first refusal, and as the Fifth Circuit stated, the issues addressed in *Martin* and *W.R. Grace* are not raised in this case.

#### CONCLUSION

Valero's petition for writ of certiorari should be denied.

Respectfully submitted,

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NORTHERN TEXAS INTRASTATE  
PIPELINE COMPANY**

## APPENDICES





**APPENDIX I**  
**ENRON CORP.**  
**AFFILIATES AND SUBSIDIARIES**

**Subsidiaries**

Belco Petroleum Corporation (Delaware)  
Belco Petroleum Corporation of Peru (Delaware)  
Enron Coal Company (Delaware)  
Enron Coal Pipeline Company (Delaware)  
Enron Finance Corp. (Delaware)  
Enron Reserve Acquisition Corp. (Delaware)  
Enron Foundation (Nebraska)  
Enron Gas Gathering, Inc. (Delaware)  
Enron Gas Liquids, Inc. (Delaware)  
Enron Gas Liquids Holding B. V. (The Netherlands)  
Enron Gas Liquids B. V. (The Netherlands)  
Loga Chemicals B. V. (The Netherlands)  
Enron Liquids Marketing Canada, Ltd. (Canada)  
Enron Gas Marketing, Inc. (Delaware)  
Enron GasBank, Inc. (Delaware)  
Enron Gas Processing Company (Delaware)  
Enron Louisiana Energy Company (Delaware)  
Enron Louisiana Transportation Company (Delaware)  
Enron Gas Production Company (Texas)  
Enron Gas Transportation Company (Delaware)  
Enron Gas UK Limited (United Kingdom)  
Enron Helium Company (Delaware)  
Enron International Incorporated (Delaware)  
Enron Gas Liquids France S.A.R.L. (France)  
Enron Gas Liquids International (U.K.), Ltd. (U.K.)  
Enron Oil Corp. (Delaware)  
Enron Oil Limited (England)  
Enron Oil PTE Ltd. (Singapore) (Dissolution Pending)  
The Protane Corporation (Delaware)  
ProCaribe Division of The Protane Corporation  
Citadel Corporation Limited (Cayman Islands)  
Citadel Venezolana S.A. (Venezuela)  
Industrial Gases Limited (Jamaica)  
Enron Americas Limited (Cayman Islands)  
Enron Argentina, S.A. (Argentina)  
Enron Energy Resources, Inc. (Texas)  
Industrias Ventane, S.A. (Venezuela)

Industrial Lacarda, S.A. (Venezuela)  
 Servicios Consolidados Ventane, S.A. (Venezuela)  
 Servicios Vengas, S.A. (Venezuela)  
 Transporte Mil Ruedas, S.A. (Venezuela)  
 Vengas de Caracas, S. A. (Venezuela)  
 Vengas del Centro, S.A. (Venezuela)  
 Vengas de Occidente, S.A. (Venezuela)  
 Vengas de Oriente, S.A. (Venezuela)  
 ProCaribe, Inc. (Puerto Rico)  
 Progasco, Inc. (Puerto Rico)  
 Enron Liquid Fuels Company (Delaware)  
 Enron Liquids Pipeline Company (Delaware)  
 Enron Marketing Services, Inc. (Delaware)  
 Enron Minerals Company (Delaware)  
 Enron Mobile Bay, Inc. (Texas)  
 Enron NGL Corp. (Delaware)  
 Enron Oil & Gas Company (Delaware)  
 Enron Exploration Company (Texas)  
 Enron Oil Egypt, Inc. (Texas)  
 Enron Oil Malaysia, Inc. (Texas)  
 Enron Oil Sumatra, Ltd. (Cayman Islands)  
 Enron Oil Syria, Inc. (Texas)  
 Enron Oil & Gas Marketing, Inc. (Delaware)  
 IN Holdings, Inc. (Delaware)  
 Enron Oil Canada, Ltd. (Alberta)  
 Enron Oil Trading & Transportation Company (Delaware)  
 Enron Oil Pipeline Company (A Division)  
 Enron Oil Trading & Transportation Canada, Ltd. (Canada)  
 Enron U.K. Limited (United Kingdom)  
 Webster Transportation Company, Inc. (Louisiana)  
 Enron Overthrust Pipeline Company (Delaware)  
 Enron Pipeline Company (Delaware)  
 Enron Power Corp. (Delaware)  
 Cogeneration Holdings, Inc. (Delaware)  
 Enron Milford, Inc. (Delaware)  
 Enron Power Enterprise Corp. (Delaware)  
 Enron Power Operating Company (Delaware)  
 Enron Power (U.K.) Limited (England)  
 Enron Power Construction Limited (England)  
 Teesside Power Limited (United Kingdom)  
 Enron Products Marketing Company (Delaware)  
 Enron Products Pipeline, Inc. (Delaware)

Enron Property Company (Delaware)  
 Enron Storage Company (Delaware)  
 Enron Trailblazer Pipeline Company (Delaware)  
 Enron Venture Capital Company (Delaware)  
 Falco UPG Ltd. (United Kingdom)  
 Enron Gas Processing (U.K.) Limited (United Kingdom)  
 UPG Falco Ltd. (United Kingdom)  
 Gulf Company Ltd. (Bermuda)  
 Houston Pipe Line Company (Delaware)  
 Black Marlin Pipeline Company (Texas)  
 Coal Properties Corporation (Illinois)  
 Comanche Marketing, Inc. (Texas)  
 Cora Dock Corporation (Texas)  
 Enron Co-Gen Fuels Company (Texas)  
 Enron Gas Pipeline Operating Company (Texas)  
 Enron Industrial Natural Gas Company (Delaware)  
 Enron Interstate Pipeline Company (Delaware)  
 Enron Mojave, Inc. (Texas)  
 Enron Texoma Gas Company (Texas)  
 IDT Gas Supply Company (Texas)  
 Katy-Waha Gas Marketing Company (Texas)  
 Intratex Gas Company (Delaware)  
 Natural Gas Marketing & Storage Company (Texas)  
 Pacific Atlantic Marketing, Inc. (Texas)  
 Panhandle Gas Company (Delaware)  
 Riverside Farms Company (Illinois)  
 Transgulf Pipeline Company (Florida)  
 Transwestern Pipeline Company (Delaware)  
 Valley Pipe Lines, Inc. (Delaware)  
 Valley Pipe Lines Offshore Division  
 Webb-Duval Pipeline, Inc. (Delaware)  
 NGP Pipeline Company (Delaware)  
 Northern Intrastate Pipeline Company (Delaware)  
 Taft Pipeline Company (a division)  
 Northern Natural Gas Company (Delaware)  
 Northern Natural Gas Supply Company (Delaware)  
 Northern Plains Natural Gas Company (Delaware)  
 AmNorth, Inc. (Nebraska)  
 Northern Border Pipeline Corporation (Delaware)  
 Divisions of Enron Corp.  
 Enron EOR Services Company  
 Enron International Development Division

**Gas Pipeline Group Division**

Northern Natural Gas Company (as of 12/31/90, a wholly-owned subsidiary of Enron Corp.)

**San Juan Gas Company Division**

**Joint Venture Companies**

Bannon International Limited (Liberia) (Owned 50% by Enron Gas Liquids, Inc.) -

**Subsidiaries:**

Mundogas Shipping Ltd. (Liberia)

Mundogas America Limited (Liberia)

Mundogas Europe Limited (Liberia)

Mundogas Orinoco Limited (Liberia)

Mundogas Pacific Limited (Liberia)

Mundogas Transportation Limited (England)

Border Gas, Inc. (Delaware) (Owned 3-1/3% by Florida Gas Transmission Company)

Citrus Corp. (Delaware) (Owned 50% by Houston Pipe Line Company (Class B Stock))

**Subsidiaries:**

Citrus Industrial Sales Company, Inc. (Delaware)

Citrus Interstate Pipeline Company Company (Delaware)

Citrus Marketing, Inc. (Florida)

Citrus Trading Corp. (Delaware)

Florida Gas Transmission Company (Delaware)

Enron Arbross Ship Management Co. Ltd. (Hong Kong)  
(Owned 50% by Enron Gas Liquids, Inc.)

Enron/Dominion Cogen Corp. (Delaware) (Owned 50% by Enron Power Corp.)

**Subsidiaries:**

Enron Bayou Co-Gen, Inc. (Delaware)

Enron Cogeneration One Company (Delaware)

Cogenron Inc. (Delaware)

Enron Cogeneration Three Company (Delaware)

Enron Cogeneration Five Company (Delaware)

Enron NGL Partners, Limited Partnership (Delaware)  
(Owned by Enron NGL Corp.)

**Subsidiaries:**

Enron BTU Limited Partnership (Delaware)

Enron Helium Limited Partnership (Delaware)

Enron Liquids Pipeline Limited Partnership (Delaware)

Enron NGL Processing Limited Partnership (Delaware)

HT Gathering Company (Texas) (Owned 50% by Houston Pipe Line Company (Class A Voting Common))  
 Halton International Limited (Liberia) (Owned 50% by Enron Gas Liquids, Inc.)

**Subsidiaries:**

Mundogas (Storage) Inc. (Liberia)  
 Mundogas (UK) Ltd. (England)  
 Mundogas Limited (Liberia)  
 Mundogas Services Limited (Liberia)  
 Mundogas Trading Limited (Liberia)  
 Interruptores Especializados Lara, S.A. (Venezuela)  
 (Owned 66% by Citadel Venezolana, S.A.)  
 Jubilee Pipeline Company (Texas) (An Unincorporated Joint Venture Owned 22.5% by Enron Mobile Bay, Inc.)  
 Manufacturera de Aparatos Domesticos, S.A (MADOSA) (Venezuela) (Owned 45% by Citadel Corporation Limited)  
 Mojave Pipeline Operating Company (Texas) (Owned by Mojave Pipeline Company, a Partnership composed of 50% Enron Mojave, Inc. and 50% El Paso Mojave)  
 Norelf Limited (Bermuda) (Owned 42.5% by Enron Gas Liquids, Inc.)  
 Northern Border Pipeline Company (Texas) (Owned 35% by Northern Plains Natural Gas Company)  
 Oasis Pipe Line Company (Delaware) (Owned 25% by Houston Pipe Line Company)

**Subsidiary:**

Pipe Line Finance Company (Delaware)  
 San Marco Pipeline Company (Colorado) (Owned 50% by Houston Pipe Line Company)  
 Seagull Shoreline System (A Texas Partnership owned 30% by Northern Intrastate Pipeline Company)  
 Tarumi Enterprises Ltd. (Liberia) (Owned 50% by Enron Gas Liquids, Inc.)

**Subsidiaries:**

Veldmoor International Limited (Liberia)  
 Weddell Corporation (Liberia)  
 The Standard Shale Products Company (Colorado) (Owned 30% by Houston Pipe Line Company)





**APPENDIX J**  
**TECO PIPELINE COMPANY**  
**AFFILIATES AND SUBSIDIARIES**

**Diamond Pipeline Company, Inc.**

**San Jacinto Gas Transmission Company**

**Teco Gas Marketing Company**

**Teco Industrial Gas Company**

**Teco Texas Intrastate Pipeline Company**

**TRT Holdings, Inc.**